

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON ENERGY)	
COOPERATIVE, INC. FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY FOR ITS)	2011-00058
CONSTRUCTION WORK PLAN FOR THE PERIOD FROM)	
JANUARY 1, 2011 THROUGH DECEMBER 31, 2012)	

FIRST INFORMATION REQUEST OF COMMISSION STAFF TO
FLEMING-MASON ENERGY COOPERATIVE, INC.

Pursuant to 807 KAR 5:001, Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason Energy") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 15 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Fleming-Mason Energy shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or,

though correct when made, is now incorrect in any material respect. For any request to which Fleming-Mason Energy fails or refuses to furnish all or part of the requested information, Fleming-Mason Energy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Fleming-Mason Energy's 2011-2012 Construction Work Plan ("CWP"), Section I.A., Executive Summary, Purpose, Results, and General Basis of Study. Page 1 contains a table of classification of customer types. One of the classifications is Other. Explain what type of customer fits into the Other category.

2. Refer to Fleming-Mason Energy's CWP, Section I.E., Executive Summary, Summary of Construction Program and Costs. Pages 4 and 5 contain a summary of (1) recommended distribution plant changes and (2) construction program costs. The following table replicates the costs shown for both categories:

Recommended Distribution Plant Changes

Year	2011	2012	Total
	\$4,837,668	\$4,837,668	\$9,675,336

Construction Program Costs

Year	2011	2012	Total
	\$3,383,830	\$3,544,676	\$6,928,506

a. Explain the differences between the amounts for the two categories.

b. Provide the same information for 2010 with an explanation of any differences in the amounts of recommended distribution plant changes and construction program costs.

3. Refer to Fleming-Mason Energy's CWP, Section I.D., Executive Summary, Historical and Projected System Data, pages 8 through 10.

a. The annual total distribution non-coincident peak ("NCP") load factor was 52.6 percent for 2009. Provide the annual total distribution NCP load factor for 2010 with an explanation of the change from 2009.

b. The 2008-2009 non-coincident winter distribution peak for Fleming-Mason Energy was 202.9 MW, established during January 2009.¹ Provide the non-coincident winter distribution peak for 2009-2010 with an explanation of the changes from 2008-2009.

c. During December 2009, the system served approximately 23,792 customers with each residential consumer averaging 1,245 kilowatt-hours each. Provide the same information for December 2010.

4. Refer to Fleming-Mason Energy's CWP, Section II.D.5., Basis of Study and Proposed Construction, Historical and Projected System Data, System Outages and Reliability. For the five years from 2005 to 2009, Fleming-Mason Energy's consumer outage average is 14.97 hours per consumer per year. Provide the consumer outage average in hours-per-consumer for 2010.

¹ This peak did not include four direct-serve customers of East Kentucky Power Cooperative, Inc.

5. Refer to Fleming-Mason Energy's CWP, Section III, Required Construction Items.

a. During the 24-month period ending January 2009, Fleming-Mason Energy added 890 underground and overhead services for new consumers. Provide the number of underground and overhead services for new consumers added from February 2009 through December 2010.

b. The distribution line construction estimate for 740C 300 is \$2,482,285 including line conversions and changes (which does not include copper replacement). No new tie-lines are required or recommended. Explain why the proposed distribution line system improvement does not include copper replacement.

c. Fleming-Mason Energy's in-service poles have been inspected twice during two prior pole-inspection cycles. Describe the pole-inspection cycle and indicate how often poles are inspected.

d. For the 24-month period ending June 30, 2010, Fleming-Mason Energy increased the number of security lights in service by approximately 340 units. On this basis, Fleming-Mason Energy is expected to install 270 new lights during the next two years. Explain why there is a projected decrease of installed units, from 340 to 270, over the next two years and provide the number of new lights that has been installed since July 1, 2010.

6. Refer to Exhibit Q, page 1 of 28.

a. Explain how the Future System before Improvements Losses (\$/Yr) of \$5,623 was determined. Provide all necessary calculations.

b. Explain how the Future System after Improvements Losses (\$/Yr) of \$2,433 was determined. Provide all necessary calculations.

c. Many of the projects listed in Exhibit Q contain an explanation for the Alternative Corrective Plan(s) Investigated stating that the "Proposed Project is consistent with current LRSS." For each such project, explain how it is consistent with the current LRSS and state whether any alternative corrective plans were investigated.

7. Explain how the estimated interest rate of four percent was determined for the anticipated annual additional cost of operation after completion of all CWP projects.

8. Paragraph 12 of the application states that Fleming-Mason Energy does not intend to incur any additional debt for any of the proposed projects contained in the 2011-2012 CWP and that those projects will be financed with internally generated funds. The CWP, Section I.A., Executive Summary: Purpose, Results and General Basis of Study, states that the proposed construction programs are to be financed by the Rural Utilities Service ("RUS") and/or a supplemental lender.

a. Confirm whether Fleming-Mason Energy will need to incur additional debt in funding the proposed construction projects or whether they will be financed by internal funds.

b. If additional debt is needed, identify the supplemental lender in addition to RUS.

9. Refer to the CWP, Section I.A., Executive Summary: Purpose, Results and General Basis of Study. The second paragraph states that the CWP is for the two-year period from January 1, 2010 through December 31, 2011. Confirm the two-year period for this CWP is from January 1, 2011 through December 31, 2012.

10. Refer to the Executive Summary of the 2011–2012 CWP, Section I.E. – Summary of Construction Program and Costs.

a. For the 2011–2012 CWP, approximately 37 percent of the proposed expenditures is for new construction and 63 percent is for system improvements. For each of the previous five years, provide a breakdown of the capital expenditures between new construction and system improvements.

b. Refer to the final paragraph of this section regarding the eligibility for RUS loan funds and Exhibit 2 to the application, Anticipated Annual Additional Cost of Operation After Completion of all CWP Projects. Explain whether Fleming-Mason Energy anticipates the interest rate on the RUS loan to be four percent.

11. Refer to the Required Construction Items section of the 2011–2012 CWP, Section III.E.6., Miscellaneous Distribution Equipment: Poles. Fleming-Mason Energy proposes to replace 300 poles each year for the two-year CWP period at a cost of \$2,344 per pole. Explain how Fleming-Mason Energy arrived at the estimated pole cost.

12. CWP Executive Summary, Page 11, Section III. A. mentions that the average line extension cost for each new service is approximately \$2,050. How did Fleming-Mason Energy arrive at the average cost of \$2,050 for underground and overhead services for new customers? Provide all necessary calculations.

13. Refer to Exhibit E, page 2 of 3. Regarding RUS Ref. No. 601, describe the type of single-phase meters Fleming-Mason Energy proposes to install for new customers and explain how Fleming-Mason Energy arrived at the average cost of \$100 per meter.

14. Explain whether Fleming-Mason Energy has contacted other electric utilities in Kentucky in order to determine what other Automated Meter Reading ("AMR") systems are in use and how they perform.

a. If no, explain why this has not been done.

b. If yes, provide the AMR technology in use and the name of the electric utility using it.

15. Identify whether there are any additional costs in the 2011–2012 CWP.

16. Refer to Exhibit C to the CWP, which provides an updated status for the 2008–2010 Construction Work Plan projects.

a. For those projects whose status is either labeled as Deleted or Deferred, provide a detailed explanation as to why that particular project has been deleted or deferred.

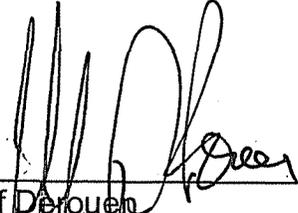
b. Under the column labeled Project Description, explain what is meant by "Various to Various."

17. Explain whether Fleming-Mason Energy has plans to implement any Demand Side Management programs.

18. Refer to the Executive Summary of the 2011–2012 CWP, Section I.A. – Purpose, Results and General Basis of Study. This section states that the "2012 projected number of consumers and total peak system load were taken directly from the Cooperative's 2010 Load Forecast Report (LFR) as approved by RUS."

a. Provide a copy of the RUS approval of Fleming-Mason Energy's 2010 Load Forecast Report.

b. Provide a copy of Fleming-Mason Energy's 2010 Load Forecast Report.



Jeff Derouen
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Public Service Commission
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DATED JUL 27 2011

cc: Parties of Record

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